CHAPTER 11

The Global Economy

Learning Objectives

- Define what an economy is from an anthropological perspective.
- Describe how trade and colonialism have shaped the global economy.
- Understand core theories anthropologists use to explain the modern world economy.
- Assess how corporations interact with the nation-state in the global economy.
- Explain the key organizing principles of the global economy.
- Analyze how the global economy connects workers and consumers.

Do you know where your last chocolate bar came from?

Today's global economy is a complex network of exchanges and connections that reach far beyond the candy machine outside your classroom or the store across the street. A cup of coffee, an iPhone, or a piece of chocolate can link the wealthiest resident of a world capital or a student at an elite college to a subsistence farmer in Africa or a factory worker in China. In today's world, we are all deeply connected.

MAP 11.1
Côte d'Ivoire

Côte d'Ivoire, West Africa, exports 40 percent of the world's cocoa, which is used to make chocolate. Much of the country is covered in tropical forest, amid which are plantations that farmers carved out with hand tools. Seven million Ivoirians make a living farming cocoa and coffee. Although the global price for cocoa—set on the commodities market in New York City—is relatively high, Côte d'Ivoire's farmers see little return for their work. The bulk of the profits go to transnational agricultural corporations, such as U.S.-based Cargill, Archer Daniels Midland (ADM), and the Swiss firm Barry Callebaut. These corporations buy cocoa beans and process them into chocolate products to be eaten worldwide. Few local farmers in Côte d'Ivoire can afford a chocolate bar.

In recent years, Côte d'Ivoire has been riven by poverty, civil war, and conflict over cocoa and coffee revenues. In a fiercely contested election in 2010, Alassane Ouattara defeated incumbent Laurent Gbagbo for the presidency. Gbagbo's regime had relied on high taxes on cocoa and coffee farmers to subsidize its excesses and to fund Gbagbo's paramilitary hit squads. The election of Ouattara, a former deputy director of the International Monetary Fund (IMF), gave Ivoirians hope for a more secure and prosperous future. But Gbagbo refused to acknowledge his loss in the election and remained ensconced in the presidential palace. By clinging to power and stirring ethnic violence, Gbagbo pushed the country toward civil war.

To undercut Gbagbo's financial base, Ouattara called on international corporations to embargo Côte d'Ivoire's coffee and cocoa exports, claiming that Gbagbo used profits from the sales to fund his armed resistance. Giant U.S. agribusiness corporations eventually pledged to cooperate, but they refused to allow independent inspection of their exports. Many nongovernmental organizations (NGOs) charged that Côte d'Ivoire was circumventing the embargo by shipping its coffee and cocoa overland to neighboring Mali and Burkina Faso, which were reselling the goods to the same corporations.

As fighting between Gbagbo's and Ouattara's supporters escalated in 2011, the French military, returning to its colonial role, stormed the airport outside Abidjan, the country's economic capital and primary port. The French had established a colony in Côte d'Ivoire in 1840 to enter the ivory trade and to build coffee and cocoa plantations. Even after Côte d'Ivoire's independence in 1960, however, the French maintained a strong economic and military presence there. In the hope of limiting violence in the civil war, France joined with the United Nations to create a demilitarized zone stretching across the country. French and U.N. soldiers then isolated the presidential palace, still occupied by the defeated Gbagbo, until forces loyal to new president Ouattara ousted Gbagbo from the residence and arrested him. Despite continuing hostility between supporters of Gbagbo and Ouattara, in 2012 the country's economy began to recover (Monnier 2013; North 2011). In recent years, cocoa production

What role have chocolate revenues played in the recent conflict in Côte d'Ivoire? Here, soldiers loyal to newly installed president Alassane Ouattara patrol after the arrest of former president Gbagbo.

has stabilized, France and China have launched large infrastructure projects, and the International Cocoa Organization has moved its headquarters from London to Abidjan. Despite ongoing tension and violence, in 2018 President Ouattara declared amnesty for those involved in the 2010–11 postelection violence, stalling many investigations. In 2019, the International Criminal Court acquitted Gbagbo of crimes against humanity and war crimes.

The conflict in Côte d'Ivoire reveals many of the complex dynamics of today's global economy: (1) the interconnectedness of farmers in rural West Africa with chocolate eaters and coffee drinkers worldwide; (2) the tension-filled relationship between nation-states and transnational corporations; (3) the strategic military interventions, often by former colonial powers, that serve to police local political affairs and global economic flows; (4) the power of global financial markets to determine the prices of coffee and cocoa and thus the quality of life for small farmers; and (5) the link between consumers and producers through global commodity chains that have blurred notions of distinct national territories.

To fully understand the modern world economy, we must examine the concept of an economy as well as the historical developments that underlie today's global economy. In this chapter, we will explore the following questions:

- What is an economy, and what is its purpose?
- What are the roots of today's global economy?
- How did the modern world economic system emerge?

- What is the relationship between the nation-state and the corporation in the global economy?
- What are the dominant organizing principles of the global economy today?
- How does today's global economy link workers with consumers worldwide?

By the end of this chapter, you should be able to analyze the major economic patterns of the contemporary global economy and assess its underlying principles. Armed with this information, you will be better prepared to make choices about your own lifestyle as a consumer and to engage in debates about how to create a sustainable economic system as the growing human population places increasing pressure on the Earth's resources.

What Is an Economy, and What Is Its Purpose?

» Define what an economy is from an anthropological perspective.

economy: A cultural adaptation to the environment that enables a group of humans to use the available land, resources, and labor to satisfy their needs and to thrive.

At the most basic level, an **economy** is a cultural adaptation to the environment—a set of ideas, activities, and technologies that enables a group of humans to use the available land, resources, and labor to satisfy their basic needs and, if organized well, to thrive. Thus, an economic system is a pattern of relations and institutions that humans construct to help collectively meet the needs of the community. Of course, today the concept of an economy seems much more complicated. But what is an economy at its core?

Production, Distribution, and Consumption

Anthropologist Yehudi Cohen (1974) describes an economy as a set of adaptive strategies that humans have used to provide food, water, and shelter to a group of people through the production, distribution, and consumption of foodstuffs and other goods. In the following sections, we will explore the varied ways humans have produced, distributed, and consumed as part of their economic activity. In particular, we will consider distinctive modes of production, ranging from food foraging to industrialism; general patterns of distribution and exchange; and the emergence of a global economy that has transformed both production and distribution as well as patterns of human consumption.

From Foraging to Industrial Agriculture: A Brief Survey of Food Production

Over the course of history, humans have developed various economic strategies to survive in diverse environments. Cohen (1974) suggests five primary adaptive

strategies that developed at different times and places: food foraging, pastoralism, horticulture, agriculture, and industrialism. By reviewing these strategies, we can begin to understand that the current consumption-based global economy—with its emphasis on industrial production (even in agriculture), consumption, and technology—is only one of many possible variations. And we begin to see the variety of economic activity that has been integrated into the global economy today.

Food Foraging Before the domestication of plants and animals around 10,000 years ago, all humans were **food foragers**. They made their living by hunting, fishing, and gathering nuts, fruit, and root crops; in fact, humans evolved into our current physical form as food foragers. Mobility was key: Small, egalitarian groups followed the movement of large animals and/or the seasonal growth of fruits, vegetables, and nuts to secure their survival. Throughout human history, food foragers have ranged over a remarkable variety of habitats, from the most hospitable to the most extreme.

food foragers: Humans who subsist by hunting, fishing, and gathering plants to eat.

Today, few people make their primary living from food foraging. Most food foragers now incorporate farming and the domestication of animals. The remaining food foragers often live in the most marginal of the Earth's environments—cold places, forests, islands—where other economic activity and other strategies for food production are not sustainable. Recent food foragers include the Inuit of Canada and Alaska, Aboriginal Australians, and inhabitants of African and South American rain forests.

Two classic ethnographies examine recent food forager communities. Richard Lee's *The Dobe !Kung* (1984) explores the history and life patterns of the !Kung San people living in the Dobe region of the Kalahari Desert in southern

!Kung San men forage for food in the Kalahari Desert of northeast Namibia.

Africa. Also, Colin Turnbull's *The Forest People* ([1961] 2010) considers the Mbuti and Efe people living in tropical forests along the equator of Central and East Africa in what is now the Democratic Republic of Congo; they hunt elephants and other big game with spears, bow and arrow, and large nets. Robert Gordon's ethnography *The Bushman Myth: The Making of a Namibian Underclass* (1992) undermines stereotyped images of contemporary hunter-gatherers as pristine surviving relics of the Stone Age. Instead, Gordon describes their ethnic diversity and many languages, their early involvement in copper mining and trade, and their resistance to colonial settler practices of ethnocide and domestication that forced them into marginalized areas and reserves in present-day Namibia.

Pastoralism, Horticulture, and Agriculture Cohen identifies three adaptive strategies for food production in nonindustrial societies: pastoralism, horticulture, and agriculture. The earliest evidence of food production can be traced to approximately 11,000 years ago in the region surrounding the Tigris and Euphrates Rivers (the Fertile Crescent) in modern-day Iraq. These strategies for food production led to more permanent human settlements that facilitated the development of tools and pottery and the specialization of human trades.

pastoralism: A strategy for food production involving the domestication and herding of animals.

Pastoralism involves the domestication and herding of animals for food production. Goats, pigs, sheep, cattle, llamas, horses, and camels may be raised and herded to support the family or extended community (although pastoralism today is often combined with hunting and gathering and horticulture). Pastoralist herders move livestock seasonally between high- and low-altitude grazing areas—a process referred to as *transhumance*—while other community members remain at home. The Nuer of Sudan, studied by E. E. Evans-Pritchard (see Chapter 9) and more recently by Sharon Hutchinson (1996), are perhaps the best-known group that has used pastoralism (paired with small-scale agriculture) as a key component of its economic strategy.

horticulture: The cultivation of plants for subsistence through nonintensive use of land and labor.

Horticulture is the cultivation of plants for subsistence through nonintensive use of land and labor. Horticulturalists use simple tools such as sticks and hoes to cultivate small garden plots. Land is generally rotated in and out of use to exploit more fertile ground. Horticulturalists frequently employ *slash-and-burn agriculture*—also called swidden farming—to clear land for cultivation, kill insects that may inhibit crop growth, and produce nutrient-rich ash that serves as fertilizer. Communities that rely on horticulture tend to be fairly sedentary, remaining close to their sites of food production. Horticulture is frequently combined with hunting and gathering and pastoralism to provide the communities' basic needs.

Early evidence of agricultural activity exists not only in the Fertile Crescent but also in Pakistan's Indus River Valley, China's Yellow River Valley, and the Nile Valley of Egypt, as well as in Mexico, the American Southwest, and

the Andes region of South America. **Agriculture** requires an intensive investment in farming and well-orchestrated land-use strategies. Irrigation, fertilizer, draft animals, and machinery, such as plows and tractors, provide the technology and labor for successful agriculture. Irrigation systems may include the terracing of hillsides and the channeling of rainfall and natural watercourses through carefully constructed pathways in an elaborate manipulation of natural resources. Through agriculture, humans produce enough food on permanently cultivated land to satisfy the immediate needs of the community and to create a surplus that can be sold or traded.

agriculture: An intensive farming strategy for food production involving permanently cultivated land to create a surplus.

Exact catalysts for the emergence of agriculture alongside hunting and gathering and pastoralism are unclear. But the effects of increased food production promoted a more sedentary lifestyle, an increased population size, and the founding of permanent settlements and population centers. Towns and cities created markets to facilitate local and long-distance trade of agricultural surpluses and craft products. Specialists such as blacksmiths, carpenters, stonecutters, and weavers established small businesses in market towns to serve the surrounding territories.

Whereas hunter-gatherer societies tended to be largely egalitarian, the rise of intensive agriculture in nonindustrial cultures led to social stratification. Social distinctions included large landholders, wealthy merchants, owners of small businesses, and peasants and landless tenants working on large farms and estates as wage laborers. Anthropologists consider *peasants* to be small-scale rural farmers whose agricultural surpluses are transferred upward to support the dominant elites as well as others who do not farm but whose goods and services are considered essential (Wolf 1966).

Industrial Agriculture Intensive agricultural practices began with the introduction of plows, draft animals, and irrigation. But recent decades have seen the rise of **industrial agriculture**, which involves a massive mechanization of farming and the mass production of foodstuffs. In fact, in the twentieth century, agricultural production shifted from individual farms and farmers to large corporate-run farms, or agribusinesses, that rely on the intensive use of machinery (such as tractors and combines), irrigation systems, pesticides, and fertilizers.

industrial agriculture: Intensive farming practices involving mechanization and mass production of foodstuffs.

Recent decades have seen remarkable progress in feeding the growing world population. Although portions of the world continue to face famines and food shortages, these are not the result of inadequate food production but, rather, of unequal distribution of the food that is produced.

Despite increased food production, industrial agriculture and agribusinesses have yielded complicated results. For example, chemical fertilizers and pesticides pose dangers to workers and to local water resources. Antibiotics that keep poultry and livestock healthy in industrial production facilities seep into

the human food chain. Genetic engineering to combat crop disease also reduces crop diversity, making crops more susceptible to harsh weather and pests in the long term. Food irradiation, used to increase food shelf life, poses potential safety and health hazards. Overall, industrial agriculture requires extremely high energy input to support machinery, irrigation, pesticides, fertilizer, and transportation costs—in many cases, more calories of energy than the food actually provides when it is consumed.

Over the last fifty years, transnational corporations' industrial agricultural practices have transformed the role of small farmers and peasants in the global economy. Agribusinesses in many parts of the world have pushed many formerly self-sufficient, small-scale farmers off the land in order to mechanize the preparation of fields, planting of seeds, application of fertilizers and pesticides, and harvesting. As a result, even though the industrialization of farming has yielded dramatic increases in global food production, fewer people now work in agriculture, and displaced rural populations are moving to urban centers in search of wage labor.

Despite the advances in pest- and weather-resistant crop varieties and the dramatic recent increase in output, world food production faces increasing stress today. For example, global climate change is creating less-predictable growing conditions, and rapid population growth is straining available food supplies. As a result, wealthy food-importing nations such as China, Korea, Japan, India, and Saudi Arabia are buying up agricultural land and water resources in the fertile nations of Africa (ranging from Egypt to Sudan, the Democratic

A Chinese-owned farm in Angola, southern Africa, produces corn for export to China, a reflection of industrial agriculture in today's global economy.

Republic of the Congo, and Angola) to ensure exports of wheat, rice, and corn to support their own populations. Amid such activity by foreign countries, will Africa's countries be able to feed themselves in times of environmental and economic instability (Brown 2011a)?

Can the planet support our projected population growth and consumption of natural resources? Can our contemporary economy meet current human needs, given the limitations of the natural environment? We will consider these questions throughout this chapter and in Chapter 12, "Environment and Sustainability."

Distribution and Exchange

All cultures have developed patterns for the distribution and exchange of goods and information produced by their members. In fact, the exchange of goods and ideas appears to be central to the workings of culture, establishing patterns of interaction and obligation among people. Anthropologists recognize three main patterns of exchange: market exchange, reciprocity, and redistribution.

Market Exchange Today, patterns of distribution and exchange are heavily influenced by economic markets that facilitate the buying and selling of land, natural resources, goods, services, labor, and ideas. Contemporary markets range in size and scope from village markets in India to the New York Stock Exchange on Wall Street. Though some people may *barter*—that is, directly exchange goods and services, one for the other—most contemporary economic transactions are based on an exchange medium, or some form of money. In recent human history, the medium of exchange has varied. Items such as salt, precious stones, shells, livestock, precious metals such as gold or silver, coins, and, most recently, paper money, digital transfers of money, and cryptocurrencies have served to make payments for goods and services (Davies 2005; Wolf 1982).

Reciprocity Transactions characterized by **reciprocity** involve an exchange of resources, goods, and services among people of relatively equal status. Such exchanges, including gift giving, create and reinforce social ties between givers and receivers, fulfill social obligations, and often raise the prestige of the gift giver. Anthropologists identify three types of reciprocity defined by the social distance between exchange partners: generalized reciprocity, balanced reciprocity, and negative reciprocity (Sahlins [1974] 2004; Service 1966).

reciprocity: The exchange of resources, goods, and services among people of relatively equal status to create and reinforce social ties.

Generalized reciprocity encompasses exchanges in which the value of what is exchanged is not carefully calculated and the timing or amount of repayment is not predetermined. Generalized reciprocity is common among close kin or close friends, serving as an expression of personal connection while reinforcing family and social networks. You may often experience generalized reciprocity without

recognizing it: offering to take someone to the airport without expecting exact or timely reciprocity; borrowing a pen or sheets of paper; offering some of your food to a friend. Likewise, parents provide for their children—food, shelter, education, clothes, protection—without calculating the value or expecting repayment on predetermined terms. They give these gifts out of a sense of love and responsibility. Any expectation of repayment tends to be general, not specific—looked for in the form of love or respect rather than some exact amount of cash.

Balanced reciprocity occurs between people who are more distantly related. This type of exchange includes norms about giving, accepting, and reciprocating. The giver expects the gift to be accepted and then to receive something in return. The recipient has an obligation to accept the gift (or is otherwise considered rude or ungrateful) and reciprocate promptly with a gift of equal value. The goal of exchanges based on balanced reciprocity is to build and maintain social relationships, often beyond the immediate kin group. A classic example is the gift exchanges of the Trobriand Islanders' Kula ring discussed in Chapter 3. Contemporary examples might include gifts between friends and close associates, such as birthday presents, dinner invitations, or even picking up a round of drinks after work. Participants in these relationships of exchange have an obligation to reciprocate and to do so proportionally to the gift that they have received.

Negative reciprocity refers to a pattern of exchange in which the parties seek to receive more than they give, reaping a material advantage through the exchange. Whereas general and balanced reciprocity are based on relationships of trust and familiarity, negative reciprocity occurs among people who are strangers, antagonists, and enemies with opposing interests. Through hard bargaining, cleverness, deception, or cheating, the parties hope to minimize their cost and maximize their return. Extreme cases of negative reciprocity may include the use of force to achieve one's goals despite an imminent threat of retaliation. Familiar contemporary examples include email scams that offer to share an inheritance if recipients send their bank account information, Wall Street investment managers who offer high returns but ultimately steal their clients' money, or predatory mortgage lenders that offer housing loans at interest rates the borrower cannot afford to repay, ultimately taking the borrower's money and home through foreclosure.

redistribution: A form of exchange in which accumulated wealth is collected from the members of the group and reallocated in a different pattern.

Redistribution Finally, **redistribution** is a form of exchange in which goods are collected from the members of the group and reallocated in a different pattern. Redistribution requires the collected goods to flow through a central location—a chief, a storehouse, or a central government—where they can be sorted, counted, and redistributed. In small-scale societies, redistribution brings prestige to the community leader as food and goods collected from the leader's supporters are reallocated to support the general populace or to establish alliances with outside

What are our expectations for exchanging gifts and favors? A family sits down for breakfast in Afghanistan, an expression of *generalized reciprocity (top left).* A birthday party represents a form of *balanced reciprocity,* exchange designed to build and maintain social networks (*bottom left*). Wall Street investment manager Bernard Madoff, convicted in 2009 of bilking investors of $65 billion through the promise of high returns, an example of *negative reciprocity (right).*

groups. A classic example in anthropology is the potlatch (see Chapter 10). You have experienced redistribution directly if those in your family who earn wages share their earnings with those who do not in order to provide all members with food and shelter. And if you receive a paycheck for a job, the taxes you pay on your earnings are part of the U.S. government's system of redistribution.

Redistribution may increase or decrease the inequality of wealth and resources within a group. In fact, many cultures have *leveling mechanisms*—practices and organizations that level out resources within the group. In the United States, for example, as in many other nation-states, redistribution is enacted through local, state, and federal tax codes. The government collects money and then reallocates and redistributes the nation's wealth to provide services (for example, the military) and infrastructure (for example, roads and bridges). Leveling mechanisms enact a cultural commitment to the collective good that aspires to safety, health, education, food, and shelter for all group members irrespective of class.

Patterns of redistribution may also shift wealth upward. For instance, the U.S. government has used taxpayer money to subsidize profitable oil companies and agribusinesses. The government also assesses lower taxes on capital gains on investments—a benefit accruing largely to the wealthy—than on income earned from wages.

Having reviewed general concepts of production, distribution, and exchange, we now turn to the roots of today's global economy, which has fundamentally transformed patterns of production, distribution, exchange, and consumption and the ways humans interact in economic systems.

What Are the Roots of Today's Global Economy?

» Describe how trade and colonialism have shaped the global economy.

Recent centuries have intensified the integration of all humanity into an interconnected global economy. Although the story of human history is often told as beginning with isolated tribes that had little or no outside contact or exchange, anthropological research tells a different story. It is one of connection and encounter, not isolation.

Economic anthropology—the study of human economic activity and relations—views the world through the lens of movement rather than through the perspective of fixed and discrete groups. The key characteristics of today's global economy are mobility and connection. But not all of these connections have been smooth and easy. Many have been—and still are—contentious and unequal.

Early Long-Distance Trade Routes

In 1492, Christopher Columbus sailed from Spain in search of a sea route to Asia. Many scholars regard Columbus's voyage as the symbolic beginning of the modern world economic system. His journey across the Atlantic certainly launched the encounter between Europe and the Americas. But by that time, European elites were already aware that China and India dominated world economic activity. Europe stood on the periphery.

More than 2,000 years ago, long-distance trade routes connected Asia, the Middle East, Africa, and Europe in a dynamic international network of economic exchange (Abu-Lughod 1989; Braudel [1979] 1992; Frank 1998; Schneider 1977; Wolf 1982). Camel caravans traveled along the Silk Route from China through India and the Middle East. From there, overland trade routes led into North Africa and Europe, energizing Mediterranean ports such as Alexandria,

Long-distance trade routes have connected Asia, the Middle East, Europe, and Africa for more than 2,000 years. The Tabula Rogeriana, a map of trade routes through northern Africa, Europe, the Indian Ocean, and much of Asia, was written in Arabic and attributed to the Arab geographer Muhammad al-Idrisi, 1154.

Venice, Rome, and Constantinople. In the first millennium CE, sea routes extended trade along the Arabian Peninsula and down the eastern coast of Africa. Regular maritime trade linked coastal regions around the Indian Ocean, China, and Southeast Asia. Arab traders had established trade routes, economic exchange relations, and local communities throughout Asia. Camel caravans moved gold, salt, and enslaved people from West Africa across the Sahara to North Africa and the Middle East. An Arab slave trade predated the European transatlantic slave trade by 700 years, transporting enslaved people of diverse origins from West and North Africa, the Mediterranean, Persia, England, Ireland, and Eastern Europe at different times between the eighth and the nineteenth centuries (Lydon 2009).

Movement was slow, but long-distance trade conveyed luxury items, such as silk, spices, tea, and gunpowder, across vast territory encompassing Asia, the Middle East, Europe, and Africa. Marco Polo traveled the Silk Route from Venice to China and back again along existing land and sea trade routes. His journey took twenty-four years (1271–95). Ibn Battutah, an Islamic scholar/official from Morocco in North Africa, began a pilgrimage to Mecca in 1325 and traveled to Constantinople, the Middle East, Southeast Asia, China, and West Africa before returning home in 1349. Tales of Marco Polo and Ibn Battutah's travels have been preserved, but most likely they reflect the experiences of many others who also journeyed along long-distance trade routes long before Columbus sailed west from Spain in 1492.

In 1405, eighty-seven years before Columbus voyaged to the Americas, a seven-foot-tall admiral named Zheng He set sail from Fuzhou, China, with

a fleet that would have dwarfed Columbus's three ships. Fully 317 ships and 27,870 sailors made the first of seven voyages between 1405 and 1433, sponsored by China's Ming emperor. Zheng He's fleets visited thirty-seven countries throughout the South Seas of Asia, the Middle East, and down the eastern coast of Africa, linking up with existing patterns of trade, exchange, and connection. At each stop, Zheng He's fleet encountered the far-reaching networks of overseas Chinese people that had existed for hundreds of years. His voyages illustrate the extensive global economic system that already existed in 1400 as well as China's pivotal role as the world's economic powerhouse (Frank 1998). China led the world in the production and export of silk, porcelain ceramics (china), tea, fruit, drugs, cotton, tobacco, arms and powder, copper and iron products, zinc, and cupronickel (Abu-Lughod 1989; Frank 1998). Before long, Europe's elite were seeking greater access to China's desirable commodities.

European Traders Buy Their Way In

By the time Columbus sailed in 1492, Europe's elite needed more than a shorter trade route to Asia to enter the world economy. They needed a way to buy themselves in. Although China wanted or needed very little from the West, Europeans increasingly sought its export commodities. As a result, European trade in Asia created surpluses for China, whose exports constantly surpassed its imports. China demanded payment of all deficits in silver and gold, setting off an intense global competition for these scarce resources.

Thus, acquisition of silver and gold was high on the Europeans' agenda in the Caribbean and the Americas. They systematically plundered the Mayan and Aztec empires as well as other Indigenous peoples as they conquered the South American continent. They enslaved local populations in order to extract precious minerals, such as those in lucrative Peruvian silver mines. Between 1500 and 1600, the supply of silver in circulation in Europe increased eightfold (Robbins 2013). The gold and silver plundered from the Americas enabled Europeans to buy their way into the powerful, Asia-centered economy. As a result, between 1500 and 1800, massive quantities of silver flowed eastward across the globe to China. By the mid-1800s, frustrated by the drain on their national treasuries, European powers moved to alter their trade imbalance with China through military action. This action began with the first Opium War in 1839, in which Britain forced China to accept opium grown on British plantations in India in lieu of silver (Frank 1998; Spence 2013).

Colonialism

Europe's economic engagements between 1500 and 1800 relied primarily on extensive maritime trade within the existing global economic system. Private corporations such as the British East India Company and the Dutch West

India Company—and their private armies—led the expansion of trade and later seized large swaths of territory around the world to further advance their economic activity. The early European conquest of the Caribbean and the Americas launched an era of colonial domination in the nineteenth and early twentieth centuries that eventually touched every part of the globe.

Under **colonialism**, European powers redrew the map of the world and fundamentally reorganized the political and economic balance of power on a global scale. Europeans' advanced military weaponry and strategies, developed through years of continental warfare and naval battles, gave them an advantage that enabled them to dominate others in the colonial era. Beginning in the 1500s, European colonialism played a pivotal role in establishing the framework for today's global economic system.

colonialism: The practice by which states extend political, economic, and military power beyond their own borders over an extended period of time to secure access to raw materials, cheap labor, and markets in other countries or regions.

The Triangle Trade

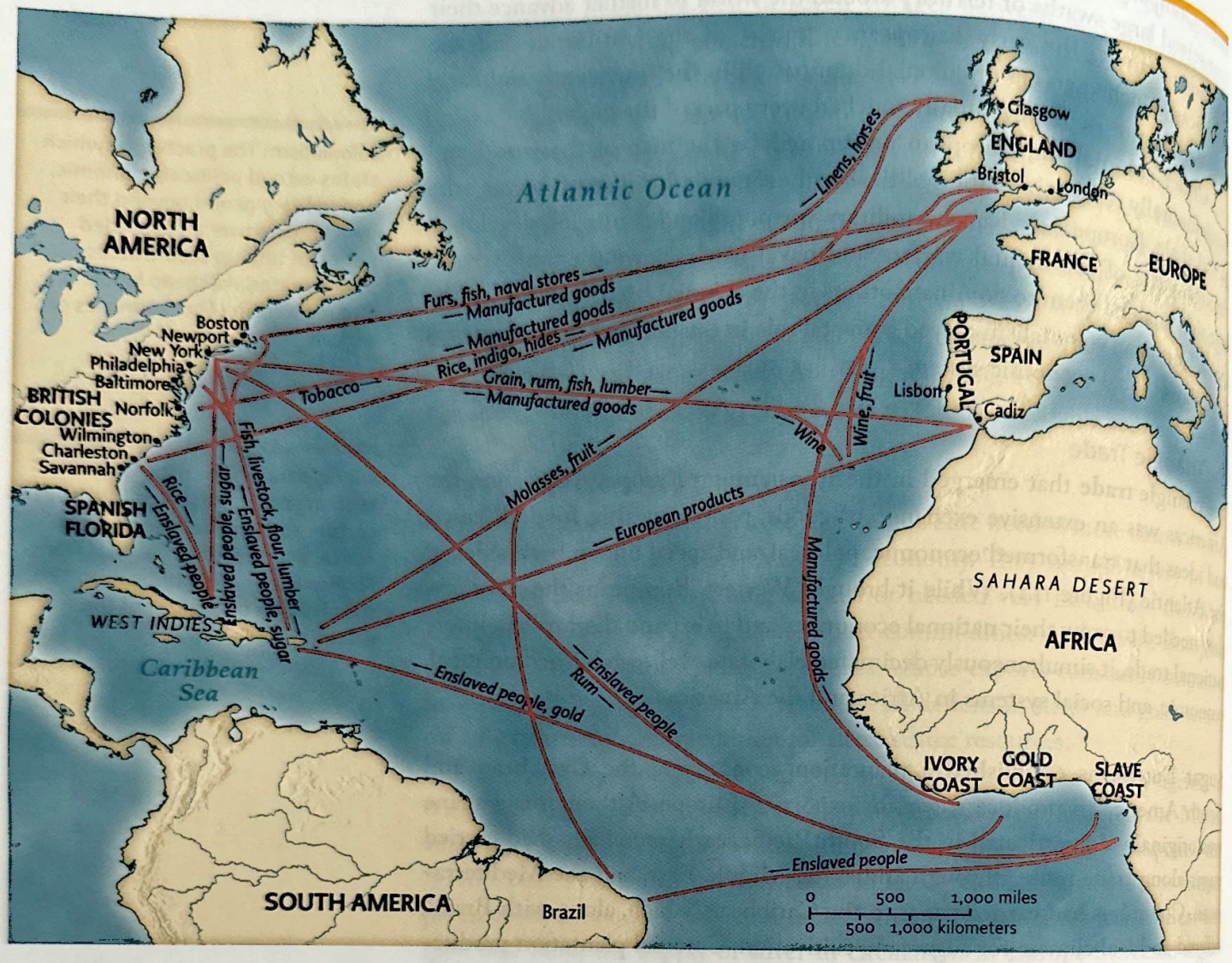
The **triangle trade** that emerged in the 1500s among Europe, Africa, and the Americas was an extensive exchange of goods, people, wealth, food, diseases, and ideas that transformed economic, political, and social life on both sides of the Atlantic (Figure 11.1). While it brought Western Europeans the resources they needed to grow their national economies and to expand their role in international trade, it simultaneously decimated elaborate, well-established political, economic, and social systems in Africa and the Americas.

triangle trade: The extensive exchange of enslaved people, sugar, cotton, and furs between Europe, Africa, and the Americas that transformed economic, political, and social life on both sides of the Atlantic.

Sugar Europeans established a plantation economy in the Caribbean and South America to produce sugar for export to Europe. Although sugarcane was originally domesticated in the South Pacific, early merchants had carried sugar along trade routes through India, the Middle East, and the Mediterranean. Columbus had carried sugar to the Caribbean, which, along with Brazil, offered an ideal climate for sugarcane cultivation. Colonial plantation production transformed sugar from a luxury item to a key component of the European diet. Sugar also sweetened three other key commodities in the triangle trade—all stimulants (drugs): coffee, tea, and cocoa (Mintz 1985).

Enslaved People The expansion of Spanish and Portuguese sugarcane plantations could not be sustained by local populations in the Caribbean and South America, which had been decimated by European diseases and the grueling conditions of forced labor. So, plantation owners turned to the transatlantic slave trade to supply their labor needs. Between the sixteenth and eighteenth centuries, millions of Africans were sold into slavery and transported across the Atlantic to work on these sugarcane plantations. Later, rising demand for cotton for England's textile industry would require more laborers for cotton plantations in the southern region of what is now the United States. This pressure

FIGURE 11.1 THE TRIANGLE TRADE



further stimulated demand for enslaved Africans. Many—perhaps millions—of people died in the traumatic passage across the Atlantic, and millions more died in inhuman conditions of incarceration and slavery after arriving in the Americas.

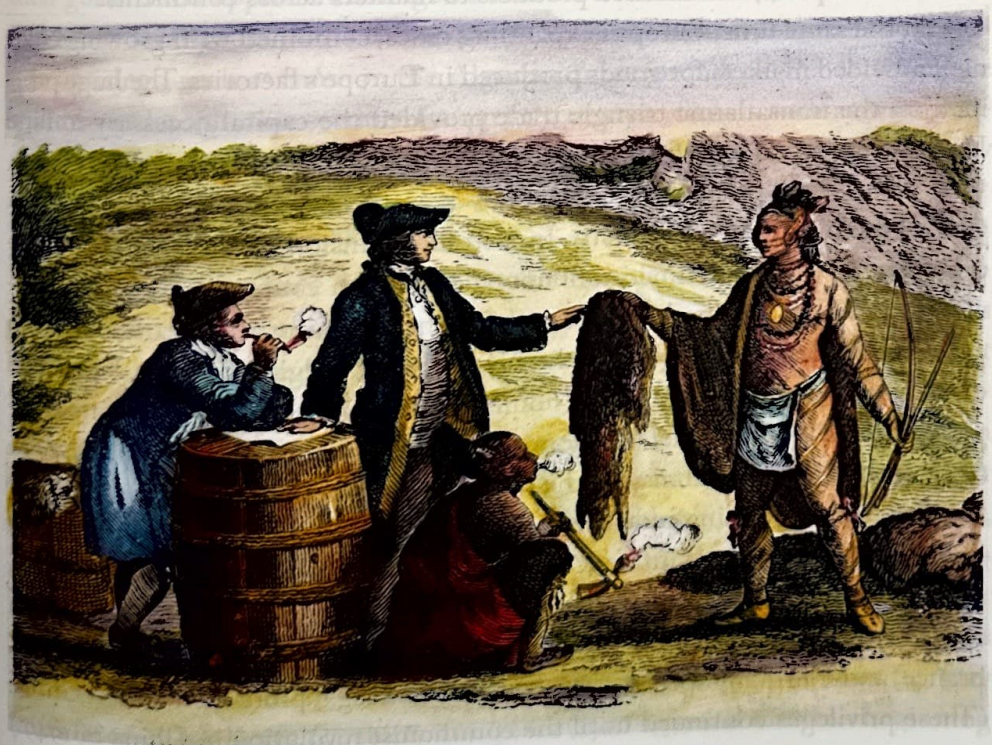
Slavery has existed at many times in human history, often based on differences in religion or ethnicity or involving prisoners of war. Evidence reveals that at the time of the Europeans' arrival in West Africa in the sixteenth century, an active market for enslaved people already existed (Alexander 2001). Europeans and others, including Arab traders from the Middle East, linked into it. But the enslavement of Africans in the Americas drew on a unique framework in which skin color served as the marker for enslavement. The uncompensated labor of enslaved Africans, extracted under brutal conditions, subsidized the economic

growth and development of Europe and the American colonies for more than 350 years.

Furs In North America, the fur trade, particularly in beaver pelts, pulled the continent into the global economy. European trappers established trading relationships with Native Americans, swapping beaver pelts for European finished products such as guns, metal tools, and textiles. The fur trade was not as lucrative as the trade with Asia in spices, silk, or porcelains, but an active European market for fur coats and hats created steady demand.

The production and consumption of beaver fur transformed North America. As Europeans expanded deeper into the North American continent in search of beaver fur, they severely disrupted Native American settlement patterns, local agricultural practices, food supplies, and economic activities. Conflicts between the British and French drew Indigenous people into colonial wars. European germs devastated a population that had no immunity to European diseases (Dunbar-Ortiz 2015; Estes 2019; Wolf 1982).

The decimation of the Indigenous populations in North and South America and the Caribbean (estimated by some scholars to be as many as 15 million people), combined with the relocation of millions of Africans and the arrival of millions of European immigrants, transformed the human population of the New World over a period of a few centuries. Furthermore, the large-scale migration of Europeans and the forced migration of Africans had lasting repercussions in their home communities as well. The conquest of Native American



Beginning in the early seventeenth century, the fur trade pulled North America into the global economy. European fur traders barter with Native Americans in this engraving after a detail from Gauthier and Faden's "Map of Canada," 1777.

lands, genocide of Indigenous people, and enslavement of Africans relied on intertwined ideologies of White supremacy, patriarchy, and religious destiny to establish, expand, and justify a hierarchy of exploitation central to the European colonial enterprise (Robbins 2013; Trouillot 1994; Wolf 1982).

The Industrial Revolution

Industrial Revolution: The eighteenth- and nineteenth-century shift from agriculture and artisanal skill craft to machine-based manufacturing.

The **Industrial Revolution** in the eighteenth and nineteenth centuries drove the next phase of European colonial activity. As European economies, led by Great Britain, shifted toward machine-based manufacturing, the new industries relied heavily on the raw materials, cheap labor, and open markets of the colonies. Numerous factors contributed to this phenomenon.

The Colonies' Essential Role In the emerging capitalist economy, the globalizing effects of improved communication and transportation drew the lives of rural farmers and miners in the colonies together with those of factory workers in industrializing nations. Urban textile factories in England replaced home-based systems of manufacturing and pulled rural peasants into urban wage-based jobs. Cheap cotton from plantations in the southern United States and India stimulated production. The steam engine, iron making, and new forms of power generation increased industrial production. Larger and faster steam-powered ships transported significant quantities of raw materials, food, and finished products from port to port. And railroads provided transportation between port cities and interior areas, moving rural workers to urban factories, raw materials from mines and farms to ports, and finished products to markets across continents.

At the same time, Europe's expanding cities, combined with growing colonies, provided markets for goods produced in Europe's factories. The huge profits from the transatlantic triangle trade provided the capital necessary to fund Europe's industrial transformation.

Competition under Capitalism Industrial expansion of the capitalist economy created intense competition among European countries for raw materials, cheap labor, and markets. Throughout the nineteenth and early twentieth centuries, Great Britain, France, the Netherlands, Belgium, Russia, Japan, and other countries all raced to divide nonindustrial regions of the world into colonies that would secure their economic growth. In the process, European countries redrew the political map of the world and restructured the global economy to serve their expanding industrial activities.

Colonial spheres of influence were established over much of Asia, Africa, and the Middle East. In Asia, British military intervention forced China into a series of unequal treaties that granted Great Britain and later the United States, France, and Germany special rights to trade and legal protection within China. (These privileges continued until the communist revolution in China in 1949.)

China ceded Hong Kong and Macau to the British and Portuguese, respectively. By the late nineteenth century, Japan began to establish Asian colonies, starting in Taiwan (1895) and eventually including most of East Asia, including the eastern seaboard of China. (Japan's colonial enterprise was only ended by its 1945 defeat in World War II.)

The colonial division of Africa was extremely abrupt. In 1884–85, fourteen countries gathered at the Berlin Conference in Germany to negotiate a settlement in the competition for African resources. Representatives of Germany, Portugal, France, and England took the lead—accompanied by Spain, Russia, Belgium, Turkey, and the United States—in carving up the African continent into fifty colonies. No African representatives were present.

Previously, only coastal Africa had been colonized; 80 percent of the continent was still locally controlled. But the Berlin Conference forced a division of people and resources in the interior, drawing new political boundaries along natural features, such as rivers, mountains, and ports, without regard to ethnicity, language, history, village, or family. These boundaries have continued to shape political, economic, and cultural life in Africa long since African liberation movements brought an end to colonialism following World War II (see the Rwanda discussion in Chapter 6).

Anti-Colonial Struggles

Local populations resisted colonialism with mixed success. Independence movements used strategies of rebellion, resistance, and negotiation to achieve their goals. Their approaches ranged from nonviolent actions, such as those led by Mohandas Gandhi in the Indian struggle against British colonialism, to violent uprisings, such as those in the Algerian quest for independence, which we will discuss later in this section. Frequently, external factors such as wars, economic crises, and international pressures aided independence movements by creating conditions for their success.

National Independence Movements Independence movements throughout the Americas brought changes to the colonial system. The United States declared independence from Great Britain in 1776, eventually winning it through the Revolutionary War. The people of Haiti, a highly profitable Caribbean French colony known for its sugarcane, coffee, cocoa, indigo, and cotton plantations, declared independence in 1804 and became the first independent former colony to be ruled by people of African descent. In Latin America, Brazil declared independence from Portugal in 1822. By 1825, most of Spain's colonies in South America had achieved independence.

In Asia, Japan not only successfully resisted European colonial efforts but also established its own colonial enterprise. It occupied Taiwan for fifty years (1895–1945), Korea for thirty-five years (1910–45), and China—beginning

with the invasion of Manchuria in 1931 and expanding to much of eastern China—through World War II. During the war, the Japanese military overran European and American colonies in Asia, including Indonesia, Malaysia, Vietnam, Cambodia, Laos, Burma, Hong Kong, and the Philippines.

Ultimately, World War II created conditions for the success of national independence movements and the collapse of the colonial system. For example, Japanese occupation destroyed much of the European colonial infrastructure in Asia and inspired organized national resistance movements. These forces led efforts toward national independence when the war ended. On a global scale, the war-ravaged economies and political institutions of the European colonial powers could no longer sustain their colonial enterprises, especially in the face of organized resistance movements. Between 1945 and 1991, more than one hundred former colonies gained their independence.

MAP 11.2
Algeria

The Algerian Experience Gillo Pontecorvo's riveting film *The Battle of Algiers* (1965) captures universal aspects of the brutal anti-colonial struggle through the lens of the Algerian movement for independence from France. The French, who were active colonialists in West and North Africa, ruled Algeria from 1830 to 1962.

Set in the Algerian capital, *The Battle of Algiers* focuses on the narrow streets of the Casbah, the old Turkish city within Algiers. This area became the site of violent conflict between pro-independence guerrillas of the National Liberation Front (NLF) and the French military. Between 1954 and 1962, 2 million young Frenchmen served as soldiers in Algeria. More than 20,000 died. Unable to convince the French to withdraw, the NLF launched terrorist attacks against the French settler population, setting off bombs in public places and killing French policemen. In retaliation, French paratroopers stormed the Casbah, sealing in the Algerian population and ferreting out NLF leaders and supporters through interrogation, torture, assassination, and bombings.

After independence, ties between the two countries remained complicated. Independence brought massive migration from Algeria to France. More than 1 million French colonial settlers, along with Algerian Muslims who served as soldiers in the French military, were "repatriated" (relocated) to France for their safety. In succeeding years, many poor rural Algerians also migrated to France to find work in the expanding postwar economy.

In Algeria, *The Battle of Algiers* has become popular as a tale of the anti-colonial struggle that threw off French control after 132 years of colonial administration. But in France, screening of the film was not allowed until 2001, thirty-six years after its release. Its graphic portrayal of French troops created discomfort with French complicity in the widespread torture of Algerian nationalists. The torture included beatings, electric shock, waterboarding, and extrajudicial killings. The French commander in Algiers during the uprising

Algerian residents do battle against the colonial French military in *The Battle of Algiers*, a 1965 film.

called these techniques a "cruel necessity" in the battle against the terror tactics of nationalist guerrillas (Harries 2007).

Pontecorvo's film reflects a brutal but not uncommon path toward independence at the end of colonialism following World War II. In 1980, Zimbabwe became the last African country to achieve independence from the European colonial powers. In Asia, however, only toward the end of the twentieth century did Britain return Hong Kong (1997) and Portugal return Macau (1999) to China. But as we have seen in the opening story about Côte d'Ivoire, and as we will see throughout the remainder of this chapter, despite the formal end of the colonial era, patterns of relationships established under colonialism—from migration and economics to military involvement—continue to influence both former colonies and colonizers.

How Did the Modern World Economic System Emerge?

» Understand core theories anthropologists use to explain the modern world economy.

With the end of the colonial era, many people believed that the former colonies—wealthy in natural resources and freed from colonial control—would see rapid economic growth. But such growth, as well as diminished poverty and

the possibility for income equality, has proved elusive. Why have patterns of inequality established under colonialism persisted into the current era?

modernization theories: Post–World War II economic theories that predicted that with the end of colonialism, less-developed countries would follow the same trajectory toward modernization as the industrialized countries.

development: Post–World War II strategy of wealthy nations to spur global economic growth, alleviate poverty, and raise living standards through strategic investment in national economies of former colonies.

Conflicting Theories

Modernization theories, which became popular following World War II, predicted that with the end of colonialism, less-developed countries would follow the same trajectory as the industrialized countries and achieve improved standards of living. Certainly, the rise of industrial capitalism in Europe beginning in the late eighteenth century had spurred spectacular advances in production and a sense of optimism about the possibilities for dramatic material progress—in other words, **development** (Larrain 1989). As decolonization approached, politicians and economists in industrialized nations began to strategize about how to develop the economies of the colonies of Britain, France, Portugal, and other European powers (Leys 1996). The modernization model was assumed to be the key. Progress, modernization, and industrialization would be the natural path of economic development throughout the global capitalist economy, though this process would need nurturing through foreign aid and international investment.

After World War II, policy theorists and planners believed that scientific and technological expertise could help replicate the European and North American style of development across the globe. Through an array of new international aid agencies and financial institutions, such as the World Bank, the IMF, and the United Nations, wealthy nations worked with emerging national governments in former colonies to develop programs they hoped would stimulate growth, alleviate poverty, and raise living standards. Development projects often emphasized state investment in infrastructure as an engine of economic growth, focusing on the construction of ports, roads, dams, and irrigation systems (Cowen and Shenton 1996).

The underlying philosophy of these post–World War II development efforts put faith in the inevitability of human progress: With the right economic policies and economic stimulation, all or most societies could follow the same trajectory toward greater accumulation and standards of living. Development advocates assumed that their efforts would facilitate shifts from poverty to wealth by transforming local economic activity from agriculture to industry, from subsistence lifestyles to capital accumulation and mass consumption, from kinship-based social and economic relations to contract-based ones, and, ultimately, from tradition to modernity. In many early development efforts, anthropologists helped tailor projects to local needs as they designed, implemented, and evaluated programs to alleviate poverty and human suffering (Edelman and Haugerud 2005).

But by the 1960s, scholars began to question the Western development model. Despite the end of colonialism, less-developed countries, even those

with rich natural resources, had not experienced modernization and economic growth. Many local and national economies remained stagnant or lost ground in the international economy. Many countries took on increasing international debt to keep their economies stable in the postcolonial era.

At this time, **dependency theory** emerged as a critique of modernization theory. Scholars from Latin America, in particular, argued that a new kind of colonialism—**neocolonialism**—had emerged (Cardoso and Faletto 1969; Frank 1969). Dependency theorists argued that despite the end of colonialism, the underlying economic relations of the modern world system had not changed. These scholars introduced the term **underdevelopment** to suggest that poor countries were not poor because of some fundamental structural flaw (such as inadequate natural resources) but because their participation in the global economy left them underdeveloped. The global economy was still structured to extract resources from less-developed countries and transfer them to developed, industrialized countries. Thus, dependency theorists argued, underdeveloped countries should break their dependency on the global economic system and build up and protect their own self-sufficient national economic activities.

dependency theory: A critique of modernization theory arguing that despite the end of colonialism, the underlying economic relations of the modern world economic system had not changed.

neocolonialism: A continued pattern of unequal economic relations between former colonial states and former colonies despite the formal end of colonial political and military control.

underdevelopment: The term used to suggest that poor countries are poor as a result of their relationship to an unbalanced global economic system.

Core and Periphery

Immanuel Wallerstein (1974) introduced to these debates a *modern world systems* analysis. According to Wallerstein, the nations within the world economic system occupy core, semiperiphery, and periphery positions (Figure 11.2). The **core countries**—primarily industrialized former colonial states—dominate the world system by extracting cheap labor and raw materials from periphery countries and sending them to the industrialized core. Finished products, with value added in the manufacturing process, are then returned to markets in the periphery. Core countries control the most lucrative economic processes, including the financial services sectors.

core countries: Industrialized former colonial states that dominate the world economic system.

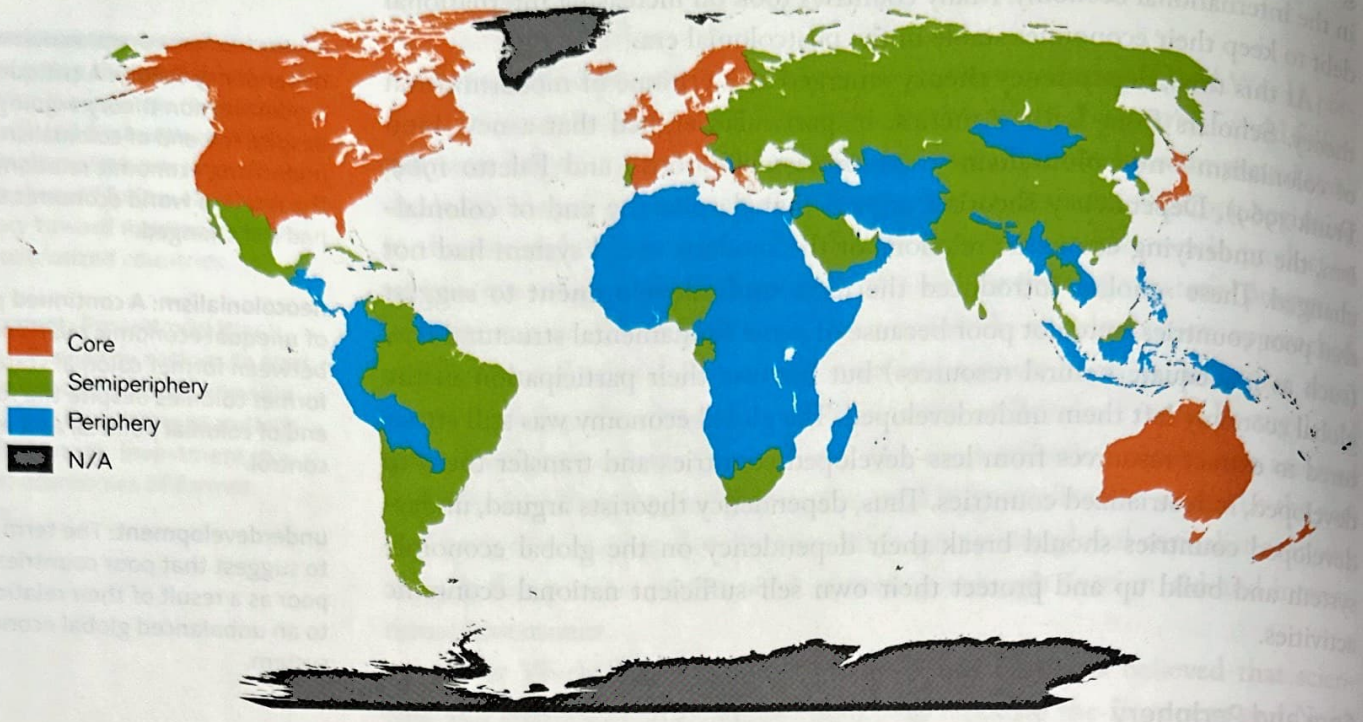
Periphery countries—among the least developed and least powerful nations—serve primarily as sources of raw materials, agricultural products, cheap labor, and markets for the economic activities of the core. Established economic, political, and military patterns ensure the steady transfer of wealth, natural resources, and human resources from the periphery to core, contributing to underdevelopment. **Semiperiphery countries** occupy a middle position. They may have developed some industry, may draw resources from the periphery, and may export manufactured products to the core and periphery, but they lack the economic and political power of the core.

periphery countries: The least developed and least powerful nations; often exploited by the core countries as sources of raw materials, cheap labor, and markets.

semiperiphery countries: Nations ranking in between core and periphery countries, with some attributes of the core countries but with less of a central role in the global economy.

Core and periphery are not necessarily geographically isolated from one another. Wallerstein suggests that peripheral areas often exist within core countries as pockets of poverty amid generally high standards of living. In the United States,

FIGURE 11.2 THE CORE/PERIPHERY DIVISION OF THE WORLD



SOURCE: *Core/Periphery Division of the World. The Geography of Transport Systems. https://transportgeography.org/?page_id=1381.*

the Appalachian region (see the discussion of Pem Buck's book *Worked to the Bone* in Chapter 10) might be considered a periphery within a core country: Although it has abundant natural resources of coal, timber, and water, it suffers from intense poverty, poor education and health care, and limited infrastructure. Core areas also exist within periphery countries. These include urban centers (ports and capital cities)—dominated by the economic, military, and political elite—that provide linkages between core countries and the often rural people in the periphery. Abidjan, Côte d'Ivoire, could be considered a core area within a periphery country, serving to connect rural cocoa farmers and the global chocolate trade.

Over the past forty years, globalization has complicated the neat categories of Wallerstein's theory. Capital, goods, people, and ideas flow less predictably today between geographically defined core and periphery areas. But the realities of uneven development and entrenched inequality persist. More than 80 percent of the world's population still lives in developing nations decades after the end of colonialism. The failure of post–World War II development strategies to advance the economic conditions of most former colonies, combined with dramatically uneven development, has raised significant questions about the appropriate strategies for addressing structural imbalances in the

Where does your iPhone come from? The journey of an iPhone illustrates Wallerstein's concepts of core, semiperiphery, and periphery. (*Left*) Factory workers at the Foxconn plant in Shenzhen, South China, where many iPhones, iPads, and other Apple products are made. (*Right*) A worker at a rare earth mine in Inner Mongolia; rare earth elements are vital to the manufacture of electronics, including iPhones.

global economy and related problems of poverty, hunger, illness, and environmental degradation going forward (Escobar 1991, 1995; Ferguson 1997; Gupta and Ferguson 1997; Edelman and Haugerud 2005).

Today, many anthropologists work in the field of development at the World Bank, the United Nations, the Inter-American Development Bank, and smaller development-oriented NGOs. Others explore alternative approaches that aim to localize projects and uncouple them from the global marketplace, draw on community and Indigenous knowledge, establish fair trade markets, and deepen local involvement in economic and policy decisions. These initiatives are often linked to local social movements, NGOs, and civil society groups; they focus on developing practical ways of raising living standards that can then be expanded to broader contexts (Cavanagh, Wysham, and Aruda 2002).

What Is the Relationship between the Nation-State and the Corporation in the Global Economy?

» Assess how corporations interact with the nation-state in the global economy.

The corporation has increasingly challenged the nation-state for supremacy in the contemporary global economy. We can trace this dynamic through the history of two economic models that dominated the U.S. economy (and beyond) during the twentieth century.

Fordism

In 1914, Henry Ford, the founder of Ford Motor Company, a U.S. automobile manufacturer, experimented with a new strategy for profit making within the industrializing economy of the United States. Ford is famous for refining the factory assembly line and the division of labor in order to facilitate efficiency in industrial mass production. Perhaps equally significant, at a time when many U.S. manufacturers were exploiting immigrant workers with low wages and long work hours to maximize profits, Ford took a different approach.

Ford made several key innovations. Most important, he introduced a $5, eight-hour workday—a living wage that he hoped would create a worker who was loyal to the company, dependable on the job, and cooperative with management in the grueling, repetitive work environment of the assembly line. Ford also believed that every Ford worker should be able to buy a Ford car. Higher wages and shorter hours, he felt, would create a new pool of consumers with enough income and leisure time to purchase and enjoy a car. Ford sought to form a new social compact between labor and capital that would benefit his corporation. These were the central aspects of **Fordism**.

Fordism: The dominant model of industrial production for much of the twentieth century, based on a social compact between labor, corporations, and government.

Fordism took hold firmly after World War II with growing cooperation among corporations, labor, and government. The latter stepped in to regulate corporate responsibility for worker health and safety and, eventually, environmental impact. An income tax structure with high marginal rates for the very wealthy moderated the growth in income inequality. Wages and benefits, along with corporate profits, rose steadily through a long postwar boom that drove a rapid expansion of the middle class through the early 1970s.

Flexible Accumulation

Industrial economic activity in the late 1960s and 1970s began to shift away from the Fordist model toward what geographer David Harvey (1990) has called "strategies of flexible accumulation." At this time, corporate profits faced increasing pressures as the European and Japanese economies recovered from the devastation of World War II and the "tiger" economies of newly industrializing nations (such as South Korea, Taiwan, Hong Kong, and Singapore) entered global competition. An oil crisis in 1973 further strained economic production in core countries, and a simultaneous global recession left many corporations seeking new strategies to enhance their profits.

flexible accumulation: The increasingly flexible strategies that corporations use to accumulate profits in an era of globalization, enabled by innovative communication and transportation technologies.

Flexible accumulation refers to the increasingly flexible strategies that corporations use to accumulate profits in an era of globalization. In particular, these strategies include *offshoring* (relocating factories anywhere in the world that provides optimal production, infrastructure, labor, marketing, and political conditions) and *outsourcing* (hiring low-wage laborers in periphery countries to perform jobs previously done in core countries). Using these strategies, corporations were able to bypass high production costs, organized labor, and

What can an old car teach us about the global economy today? (*Left*) Assembly-line workers put the finishing touches on 1949 Ford sedans at the height of Fordism in the United States. Henry Ford introduced the notion that his workers should receive a living wage. (*Right*) The fight for a living wage continues today, epitomized by recent rallies in support of raising the minimum wage to $15 per hour.

environmental laws in the core industrial cities and core countries.

Under flexible accumulation, corporations—even highly profitable ones—eliminated jobs in old core industrial centers such as New York City, Chicago, and Detroit. Instead, they began offshoring their factories, reopening them in places such as Mexico, the Caribbean, South Korea, and Taiwan. In the 1980s, they began to relocate factories to China to take advantage of even lower wages, lower taxes, and weaker environmental restrictions. Today, Walmart has more than 7,000 factories in China that produce goods for its stores worldwide. Recent strikes by Chinese workers demanding higher wages and better working conditions have led some corporations to relocate again, opening new factories in Thailand, Cambodia, Vietnam, and Bangladesh. Over the past forty years, strategies of flexible accumulation have transformed the local factory assembly line into a global assembly line.

Global Cities To manage global production, corporations created international headquarters in industrial centers like New York City, Tokyo, London, Los Angeles, Chicago, Miami, Hong Kong, Sydney, Paris, Amsterdam, and Buenos Aires—all of which had experienced the loss of industrial manufacturing in the 1970s and 1980s. Now these *global cities* (Sassen 2012) provide corporations with the physical infrastructure and human resources required to run their corporate headquarters: local transportation, international airports, regional rail networks, reliable power grids and water supplies, and modern communication systems as well as skilled accountants, lawyers, information technology specialists, and marketers.

Who answered your last call for tech support? Here, a call center agent in the Philippines talks to a client in the United States, an example of how jobs are being outsourced from core countries to low-wage destinations under flexible accumulation.

Outsourcing of Jobs New communication technologies have enabled corporations to outsource many jobs to developing areas. Since the 1990s, companies have been outsourcing software design, airplane reservations, data processing, radiology readings, and data analysis. The call center industry—those people at the 800 numbers we call to reach a customer service representative—has been aggressively pursuing low-cost options across the globe.

Call centers once located in Kansas and Nebraska now operate in India and the Philippines. They attract college graduates with English language skills who earn 30 to 50 percent of what a U.S. worker would earn for the same job. Recently, as many Indian centers have shifted focus to the development of information technologies and software that require workers with a higher level of education, call centers in the Philippines have been expanding. With more than a million call center workers, the Philippines has surpassed India to become the largest call center operator in the world—for now (Patel 2010; Padios 2018).

Under flexible accumulation, corporations will continue to search for the lowest costs they can find through offshoring and outsourcing. They will follow the money to countries with pockets of low-wage English speakers, whether in China, Vietnam, Cambodia, Egypt, Mexico, Eastern Europe, or South America. And as workplace patterns shift in response to the COVID-19 pandemic, corporations will outsource an increasingly wide array of jobs.

What Are the Dominant Organizing Principles of the Global Economy Today?

» Describe key organizing principles of the global economy.

Flows of capital, goods, and services associated with flexible accumulation have built on old colonial patterns and have made use of advances in transportation

and communication technologies (time-space compression). But other forces—including powerful international financial institutions and international and regional trade agreements—are also helping to move all people and nations toward one free market with minimal barriers. Drawing on the economic philosophy of *neoliberalism*, these institutions and agreements have created a strong international financial and policy framework, one that promotes an even deeper integration of nations and local communities into the contemporary global economy.

Capitalism, Economic Liberalism, and the Free Market

The work of the Scottish economist and philosopher Adam Smith (1723–1790) and the British economist John Maynard Keynes (1883–1946) provided key intellectual counterpoints that have shaped economic debates about the functioning of capitalism in the twentieth century. In *The Wealth of Nations* (1776), Adam Smith promoted economic liberalism through his ideas of laissez-faire ("leave it alone") capitalism. In Smith's view, free markets and free trade, being liberated from government intervention, would provide the best conditions for economic growth: They would unleash competition to maximize profits. In contrast, Keynes later argued that capitalism would work best when the government had a role in moderating capitalism's excesses and ensuring the basic welfare of all citizens (Keynes [1936] 2007).

U.S. president Franklin Delano Roosevelt relied on Keynesian economic philosophy in his approach to the Great Depression of 1929–41. His administration initiated government programs such as the Works Progress Administration, which put unemployed Americans back to work, and the Social Security program, which was designed to ensure the basic welfare of all American people, especially the elderly and most vulnerable.

After World War II, leading Western governments applied Keynesian economic philosophy to rebuilding their war-torn economies and establishing development projects to stimulate growth in former colonies. Keynesian economics began to lose popularity in the 1970s in the wake of a global recession. But today it maintains a role in government policies that (1) stimulate economic activity through public investment in infrastructure projects and the employment of civil servants and those that (2) seek to regulate the excesses of corporate and financial activities and to moderate the most extreme effects of capitalism on the population through the provision of a social safety net and investment in health, education, and housing.

Neoliberalism

Economic liberalism, building on Smith's philosophy, has reemerged since the 1970s as a guiding philosophy for the global economy. This **neoliberalism**, associated with conservative fiscal and political policies in the United States, views the free market—not the state—as the main mechanism for ensuring economic

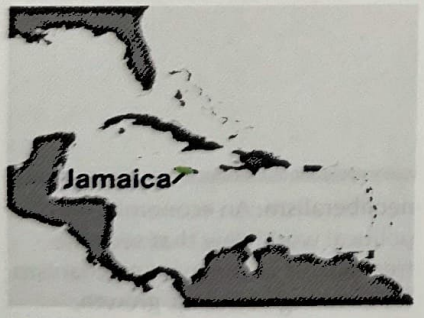
neoliberalism: An economic and political worldview that sees the free market as the main mechanism for ensuring economic growth, with a severely restricted role for government.

growth. Neoliberal policies focus on promoting free trade on a global scale, eliminating trade barriers, and reducing taxes, tariffs, and most government intervention in the economy. Neoliberalism promotes the privatization of public assets (such as publicly owned utilities and transportation systems) and an overall reduction, if not privatization, of government spending on health, education, and welfare.

Since the 1980s, powerful international financial institutions have promoted neoliberal policies. These institutions are the International Monetary Fund (IMF), the World Bank, and the World Trade Organization, which was founded in 1995 to replace the Global Agreement on Trade and Tariffs. The Allied nations established the IMF and the World Bank after World War II to regulate financial and commercial relations among the industrial powers and to provide loans for modernizing national economies ravaged by the war. In the latter role, these institutions often subsidized national development efforts, including infrastructure projects such as ports, roads, dams, and irrigation systems. Particularly since the 1980s, IMF and World Bank programs have promoted free trade, free markets, and reduction of the state's role in local and international economics.

Structural Adjustment During the 1980s and 1990s, global financial institutions emphasized structural adjustment loans as a key, though controversial, mechanism to address poverty and development in poorer nations. Structural adjustment loans seek to stabilize a country's long-term economic development. They require fiscal austerity measures, a reduced role for the state in the economy, and a restructuring of national trade and tariff policies so as to create freer access to local markets. These loans also require receiving governments to (1) eliminate agricultural and manufacturing subsidies and price supports on essential commodities such as food and oil; (2) reduce government spending on health, education, and social services; (3) privatize state-owned enterprises; and (4) deregulate financial and labor markets.

In the 2001 documentary film *Life and Debt*, filmmaker Stephanie Black explores the recent economic history of the Caribbean island of Jamaica. Her research examines the effects of IMF and World Bank structural adjustment programs on the day-to-day lives of Jamaicans and on the Jamaican government's efforts to establish economic independence after 300 years of British colonialism (1655–1962).



MAP 11.3
Jamaica

After the withdrawal of British financial support at the end of colonial rule, Jamaica's government turned to international lenders to provide short-term cash infusions to support basic services. The loans and their high interest rates carried requirements to restructure the Jamaican economy, reduce price supports for basic foods, cut back on education and health-care spending, and reduce barriers to international trade—all strategies intended to stabilize the economy and enhance growth through participation in global trade. But the promised benefits failed to materialize. Jamaica's local economic production in key

agricultural sectors was in fact undermined by subsidized, low-cost imports—for instance, subsidized milk products from the United States. Jamaica ultimately become saddled with more than $18 billion in external debt (2020) that it does not have the capacity to repay.

Critiques of Neoliberal Policies Debates continue over the effectiveness of neoliberal policies. The failure of IMF and World Bank policies to avert economic crises in Asia and Latin America in the 1990s called into question the long-term benefits of neoliberal policy prescriptions on a global scale. In particular, there is skepticism in many countries about the notion that facilitating competition and profit making through free trade, free markets, and privatization promotes improved economic opportunities for most of the world's people. Leaders of underdeveloped countries, scholars, and activists have argued that these policies are the centerpiece of an ever-evolving global economic system that promotes uneven development and ensures that wealthy countries remain wealthy and poor countries remain poor (Krugman 2015; Sachs 2005; Stiglitz 2010). Much of Latin America has repaid its debts to the IMF and has rejected neoliberal economic strategies. The World Social Forum, an annual international meeting of social movements and NGOs, explores alternatives to neoliberal economic policies and the negative aspects of globalization.

The (In)stability of Global Financial Markets in the Twenty-First Century

In late 2008, the United States experienced its worst financial collapse in more than seventy years. Over the next several years, in the United States alone, $5 trillion of pension money, real estate values, 401K retirement plans, savings, and bonds disappeared. Eight million people lost their jobs. Six million people lost their homes to foreclosure. At the center of the crisis was a massive credit bubble created by millions of high-risk mortgages and other complex new financial instruments including credit default swaps and synthetic collateralized debt obligations—more generally called credit derivatives. Financial derivatives are essentially contracts based on (derived from) some other asset—such as commodities, interest rates, credit, foreign exchange rates, equities, or mortgages. In the years leading up to 2008, bankers seeking new investment vehicles for their clients bundled millions of individual mortgages into new financial instruments—derivative contracts—that could themselves be traded, bought, sold, exchanged, and insured. People buying the derivatives were making a bet on the future value of the new asset. The banking industry's flawed cultural assumptions, including that debt-ridden people would still repay mortgages and that the market would regulate itself, obscured the underlying realities of the credit bubble and eventually threatened the entire global financial system (Tett 2009). See "Anthropologists Engage the World" about Gillian Tett in this chapter.

What are the most effective strategies for building a healthy economy? Here, protestors in Greece demonstrate against government austerity measures.

The U.S. financial collapse of 2008 and its subsequent impact on other countries indicated a significant shift in the global economy: The circulation of capital has become the principal means of generating profits. As we have discussed, flexible accumulation has disrupted the earlier Fordist mode of industrial production as corporations have offshored and outsourced jobs from core countries to developing countries in search of increased profits, cheap labor, low taxes, and limited regulations. But under flexible accumulation, commodity production has grown slowly in recent decades, while outsourcing production has created more risks and instability due to events in countries beyond corporate control. Anthropologists of finance suggest that the circulation of capital has become the driving force behind the global expansion of capitalism in the twenty-first century. Accumulated global capital reserves have increasingly been moving toward the creation of financial products and the construction of new infrastructures to facilitate their circulation. As a result, while the total gross domestic product of the global economy was estimated to be $84.7 trillion in 2020 (World Bank 2020), the face value of derivatives circulating through the global financial markets is now estimated to be at least $610 trillion (Bank for International Settlements 2021).

Banking, which was a sleepy industry in the 1970s focused on savings, bonds, and mortgages, has been transformed. In addition to the creation of complex financial derivatives, banks have also launched corporate finance units and global capital desks and have spun off hedge funds. Financial technicians have been trained, logistical support services have been developed, and new communication technologies have been invented—the Internet, microchips, wireless systems,

high-speed data transmission, real-time inventory assessments—that permit instantaneous, around-the-clock global trading. Global capital markets and the firms that service them, based predominantly in Europe and the United States, increasingly shape economic and political realities in every part of the world, from corporate boardrooms to local economies. Their activities directly affect the prices of food and gas, individuals' ability to borrow money to start a small business or to buy a home, and the ability of the nation-state to provide social welfare support in local communities around the world. As a result, the nation-state's ability to regulate what occurs within its borders has steadily eroded in this era of increasing globalization (LiPuma and Lee 2004; Zaloom 2006; Ho 2009).

The debate over neoliberal and Keynesian economic strategies continues to rage in the United States and globally. The U.S. government and many other governments engaged in a number of Keynesian-style interventions during the COVID-19 pandemic: providing direct relief to the unemployed and to families with children; disbursing grants and loans to businesses; investing in vaccine creation and distribution, testing, and medical equipment; subsidizing health care, higher education, airlines, and banks; and funding infrastructure projects to stimulate the economy.

In 2022, as the Omicron variant of COVID-19 began to wane, supporters of neoliberalism moved to discontinue subsidies and investments in favor of lower taxes, smaller government, faster debt repayment, and reduced regulation to stimulate economic activity by businesses. Crucial debates continue over efforts to address growing economic inequality, repair crumbling infrastructure, forgive higher education student loan debts, and stabilize the future of Social Security, Medicare, Medicaid, and the Affordable Care Act (Obamacare). How have you experienced the effects of these debates, perhaps in expanded healthcare access or in increased or reduced government funding of your high school, college, or university?

Crypto and the Rise of Virtual Currencies

Cryptocurrencies—decentralized digital or virtual currencies secured through encryption—emerged in the late 2000s as a disruptive alternative to traditional money at a time of tremendous upheaval and innovation in global financial systems. Anthropologists have long recognized that all mediums of exchange—whether beads, pieces of paper, coins, lumps of precious metals, mortgage-backed securities, or digital and virtual cryptocurrencies—rely heavily on trust. Users must trust that a currency will retain its value, that others will trade for it, and, in today's complex financial systems, that banks, financial advisors, investment houses, and governments will operate with integrity. The 2008 fiscal crisis, discussed in the previous section, undermined trust in the traditional banking system. Simultaneously, the technological innovations of the iPhone (launched in

2007) and other smartphones brought together voice, text, web browsing, camera, optical scanning, GPS, and immense data capabilities in ways that transformed communication systems and reshaped the financial services industry.

In this context, Bitcoin launched in 2009 to create a decentralized money system separate from government-issued currencies. The unregulated space in which Bitcoin and other cryptocurrencies exist transfers users' trust from banks to blockchain technology. Blockchains provide a secure and decentralized public accounting ledger of virtual cryptocurrency transactions by using a string of numbers and letters to maintain an electronic, permanent transaction history for each crypto asset. Banks, governments, or other trusted third parties are no longer needed.

Today cryptocurrencies like Bitcoin and Ethereum have gained a foothold in the global financial system. In 2021, El Salvador became the first country to allow consumers to use the cryptocurrency in all transactions (alongside its other official currency, the U.S. dollar). A number of U.S. businesses, such as Home Depot and Microsoft, have begun to accept cryptocurrencies. Cryptocurrencies are even more popular as an investment vehicle. India, for instance, has as many as 20 million investors in cryptocurrencies, many of whom are young professionals. Trust in cryptocurrencies is not absolute, however. Concerns include wild valuation fluctuations, security breaches, the impact of regulation, overconsumption of energy to mine Bitcoin and its impact on the environment, plus the potential of cryptocurrencies to enable criminal activities like terrorism, organized crime, and the purchase of illegal goods such as weapons and drugs. Other digital technologies have already transformed how we experience our social world. In what ways do you see cryptocurrencies transforming the culture of money and the financial world (Maurer 2015; Ceraldi 2018)?

MAP 11.4
Kenya

Mobile Money in Kenya While cryptocurrencies like Bitcoin and Ethereum have captured the public imagination, anthropologists have been researching virtual currencies and mobile technologies that are transforming local economies and money use. In her ethnography *Reimagining Money: Kenya in the Digital Finance Revolution* (2021), anthropologist Sibel Kusimba explores how the everyday use of the M-Pesa mobile phone–based payment system became central to Kenyan life, replacing cash and transforming local economies over the past twenty years, while still cultivating Kenyan values of "wealth-in-people." In the late 1990s, mobile phones spread rapidly throughout East Africa in what Kusimba considers to be one of the most rapid technology diffusions in human history. In rural areas, phones owned by local shopkeepers and rented or loaned in the community filled gaps in technology ownership. Prepaid airtime could be purchased on encoded scratchcards available in every marketplace. In a unique local innovation—soon picked up by mobile phone company Safaricom—users began sending prepaid airtime codes via text message. For a fee, local agents, often local shopkeepers in rural markets or urban malls, would then exchange airtime codes for cash.

Building on this airtime exchange system, in 2007 Safaricom introduced the mobile transfer service M-Pesa. M-Pesa allows users to send Kenyan currency, rather than airtime, via text message. With only a national ID card and a SIM card—no smartphone or Internet connection required—a resident can set up an individual account with Safaricom. Local mobile money/airtime agents, usually shopkeepers, take cash, convert it into e-money, and add it to one's Safaricom account balance, where it can be kept in the account or texted to another phone. On the other end, the e-money can be redeemed for cash through another local agent. Unlike Bitcoin and other cryptocurrencies, the value transferred through M-Pesa never became a separate currency. It is simply a digitized representation of the Kenyan currency, the shilling. In another contrast with decentralized cryptocurrencies, the M-Pesa system is operated by Safaricom, a mobile phone provider partly owned by the Kenyan government.

Thinking anthropologically, Kusimba argues that rather than disrupting local communities and cultural patterns, the M-Pesa system has reinforced long-held and important Kenyan systems for creating kinship relations, financial ties, reciprocity, and value. Kenya's economy long relied on pastoralism, particularly the raising and exchange of cattle, sheep, and goats that served as pastoralists' main monetary system (Schneider 1979). The birth of new cows meant more money in the system that could be redistributed through an exchange of livestock, often at marriages or other rites of passage. The circulation of livestock knit society together and led to the accumulation of deep and broad financial ties. Wealth, however, lay not in the money or value of the livestock. Wealth lay in the cultivation of an extensive network of personal relationships that could be called upon at a later time. Wealth lay in the accumulation of these financial ties, or what local Kenyan communities called "wealth-in-people."

Shaped by colonialism, migration, and urbanization, many in sub-Saharan Africa today live in flexible, extended family networks organized across great distances. Kusimba argues that the new mobile money system builds on these existing systems of exchange. Money sent as remittances from urban family members allows rural kin to maintain long-term cultural traditions and rituals, to sustain monetary networks, and to nurture long-term systems of value making. Mobile phone remittances extend an individual's relationships of care, love, involvement, belonging, respect, and obligation across distance. Downsides of the system include the need to constantly negotiate requests, the inability of some to fulfill obligations, and the emotional labor, often falling to women, of managing the circulation of money within the family-and-friend social infrastructures. Ultimately, however, Kusimba argues, like the pastoralist system of exchange and value that preceded it, the remittance system enabled by M-Pesa is less about the actual remittances and more about maintaining extensive social networks and financial ties—about the "wealth-in-people" accumulated through the circulation of mobile money and airtime.

How Does Today's Global Economy Link Workers with Consumers Worldwide?

» Analyze how the global economy connects workers and consumers.

Through much of recent human history, markets have been places where farmers and craftsmen, traders and consumers exchanged products, ideas, information, and news, linking local communities to one another and to faraway communities for the benefit of all (Polanyi [1944] 2001). Today, local markets around the world are more deeply integrated with each other, as social and material **commodities** often flow across national borders (Hannerz 1996). Although **commodity chains**—the hands an item (commodity) passes through between producer and consumer—used to be primarily local, globalization has extended their span across territories and cultures, intensifying the connection between the local and global in ways previously unimaginable (Haugerud, Stone, and Little 2000). Tsukiji Fish Market, until recently the largest fish market in the world, is a prime example, as described in "The Social Life of Things."

commodity: A good that can be bought, sold, or exchanged in a market.

commodity chains: The hands an item passes through between producer and consumer.

"Friction" in the Global Economy

To examine the complicated movement of commodities, people, ideas, and money in the global economy, cultural anthropologist Anna Tsing (2005) has focused on what she names "friction"—the messy and often unequal encounters at the intersection of the local and the global, including the role of transnational corporations, international development agencies, local and national governments, and global trade regulations. She examines the destruction of rain forests in Kalimantan, Indonesia, on the island of Borneo. Recently, the dense tropical forests and swamplands have been clear-cut and burned to satisfy a global demand for timber, to open lands for mining, and to create agricultural land for palm oil plantations. (Palm oil is a common ingredient in foods, cosmetics, household products, and biofuels.) Today, transnational corporations use uncontrolled burns to clear rain forests at the rate of an equivalent of 300 football fields each day.

Tsing's ethnography focuses on the complex interactions and frictions among the many players in Kalimantan. We can list some examples:

- International corporations seek profits for shareholders by conducting widespread logging and mining to feed an expanding global market.
- Indonesia's military dictatorship conspires with corporations to gain a share of profits.
- Local residents resist destruction of their native lands. Other residents side with the corporations in the hope of getting rich.

THE SOCIAL LIFE OF THINGS

Tracing the Global Tuna Trade

What can a spicy tuna roll at your local sushi restaurant tell us about the workings of the global economy? Anthropologist Ted Bestor's (2004) study of Tsukiji Fish Market in central Tokyo, Japan, brings to life the tale of the transnational tuna trade and, with it, the power of today's global markets and commodity chains.

1 Tsukiji Fish Market, which until 2018 stood in the heart of downtown Tokyo, was the center of a massive global trade in seafood. Each day, 60,000 traders gathered to auction bluefin tuna from Maine, eel from southern China, octopus from West Africa, salmon from Canada, and shellfish from California.

2 Tsukiji's seafood made its way into restaurants, supermarkets, and homes across Japan, feeding Tokyo's 22 million people and many more throughout the country.

3 The Japanese people's desire for sushi and sashimi has established Japan as the world's main market for fresh tuna. But rising demand has led to overfishing and decimation of the local Japanese tuna fishery. To meet Japanese demand, the search for the perfect tuna has now expanded to the North Atlantic, the Mediterranean, and Australia. The tuna commodity chain extends far beyond Japan's territorial waters to previously unconnected places and people. Tsukiji Market, now relocated to the new Toyosu Market, became command central for this intricate global trade in tuna and other seafood.

A highly integrated network of fishermen, buyers, and shippers is key to the tuna trade. Fishing boats returning from the northern Atlantic Ocean with their catch of bluefin tuna dock at marinas along the eastern seaboard of Canada and the United States. There they meet with Japanese buyers who assess the quality of the catch. The sale is based on the latest prices on the Tokyo market. High-quality tuna is packed in ice, and refrigerated trucks deliver it to an airport to be shipped to Tokyo for the next day's market.

As we have discussed in this chapter, Wallerstein's world systems theory helps us analyze an integrated, but increasingly complicated, global economy through which goods, money, ideas, and even people (or, in this case, tuna) flow from periphery to core. But in the story of tuna and sushi, Bestor notes that assumptions of a fixed core and periphery, as well as expectations of a predictable flow of raw materials, are called into question. In this story, Japan is the core. The Atlantic seaboards of North America and Europe are the periphery as natural resources flow to consumers at the center of the global market and at the end of the global commodity chain (Bestor 2001, 2004; Jacobs 2005; Stevens 2005).

- Do you eat sushi? Have you wondered where the raw fish comes from and how it gets to your local restaurant or market while still fresh? The next time you see sushi displayed for sale, consider asking the store manager or restaurant owner about the commodity chain that links a fisherman to your dinner.

- Indonesian environmental activists link local residents to international networks of NGOs working on environmental and human rights campaigns.
- Foundations based in the West invest in development projects to improve the living conditions of those affected by landscape conversion and to promote community-based natural resource management.
- United Nations meetings in New York address the impact of environmental degradation on quality of life.
- Scholars study conditions on the ground and the forces driving the multiple global projects that touch down in Kalimantan.

Tsing's notion of friction pushes anthropologists to recognize that the global interconnections associated with the world systems model are complicated and full of tension. Indeed, encounters between powerful economic forces and corporate actors, on one hand, and real-life individuals, households, communities, and regions, on the other hand, are often awkward, unstable, and unequal. They bring people together across different cultures, social and economic statuses, and worldviews. In Tsing's study of Kalimantan, the transformation of the natural environment brings into friction dozens of players with different motivations. She argues that ethnographers must address the total array of global connections—both the flows and disjunctures—that shape local realities (Tsing 2005; McKay 2006).

Chinese Restaurants and the Global Economy

The global movement of people is also full of friction. Have you ever wondered why chicken with broccoli is so inexpensive in your local Chinese restaurant? Or how the Chinese restaurant workers got to the little town or big city where your college is located? The answer lies along a street called East Broadway in Chinatown on the Lower East Side of Manhattan. There, an entire migration industry draws Chinese immigrants from the rural villages of the Fuzhou area of southeastern China to New York City and sets them on the move again to a Chinese restaurant near you.

Located along East Broadway are a cluster of services that facilitate the movement of Chinese immigrants. These services provide for their daily needs as they make their way from a rural Chinese economy built around farming and fishing to a restaurant industry in one of the world's most developed countries. Offices for immigration lawyers, English language classes, driving schools, and producers of legitimate and illegitimate documents stand alongside doctors' offices, pharmacies, clothing stores, and gambling parlors. East Broadway's human smugglers help undocumented immigrants make their way across national borders. Phone card sales booths help workers keep in touch with family back in China. MoneyGram and Western Union wire-transfer offices help people send money back to family members in their home villages. Key to this migration industry are two dozen employment agencies that match newly

arrived workers with Chinese restaurants across the country and another dozen long-distance buses that deliver Fuzhounese to those restaurants (Guest 2009).

This global flow of Fuzhounese is fraught with frictions. Chinese smugglers charge more than $80,000 to bring a person to the United States, leaving immigrants with huge debts that may take years to repay. Restaurant owners rely on vulnerable, underpaid workers to make their profit margins on inexpensive dishes such as chicken with broccoli. Workers often live and work in the restaurants, putting in twelve- to fourteen-hour days, six or seven days a week. They suffer from emotional stress and the physical strain of grueling work, plus the isolation of living in a foreign land. New York's Chinatown becomes a place for rest and recuperation between stints at a far-off restaurant. The so-called Chinatown buses provide the link that moves workers between out-of-town jobs and the support system of the migration industry along East Broadway. As many as 50,000 individuals are circulating through this Chinese restaurant industry at any given time.

The movement of rural men and women from Chinese villages to the far reaches of the United States illustrates the deep interconnectivity of people in the modern world economic system. The demand for inexpensive Chinese food in Omaha, Nebraska, can pull young Chinese farmers across an ocean to help fill the demand of a global labor market and pursue their dreams of wealth and happiness for themselves and their families. That is the story behind your next dish of chicken with broccoli (Guest 2011).

Today, we have an economic system of astounding complexity. Our economic activity surpasses anything we might have imagined even fifty years ago. The global economy integrates all of the world's people to one extent or another into a global system of exchange. But does it work well for everyone? What are the criteria we might use to assess its effectiveness?

The global economy has achieved remarkable success over the past sixty years. For example, gross domestic product of the global economy rose from around $1 trillion in 1960 to $84.7 trillion in 2020 (World Bank 2020). School enrollment increased nearly 20 percent between 1970 and 2021 (World Bank 2022). Infant mortality rates dropped by more than 60 percent between 1990 and 2020 (World Bank 2022). And life expectancy nearly doubled over the last century, reaching 72.7 years in 2019 before the COVID-19 pandemic (World Bank 2022).

But the outlook is not all rosy. In 2019, 5.2 million children died from preventable or treatable causes, nearly half from malnutrition (World Health Organization 2020). In 2020, the world had nearly 768 million people going hungry each day and living in extreme poverty (United Nations 2021). The pandemic was expected to push another 100 million into extreme poverty (World Bank 2020). Clearly, global inequality continues to increase. Is the current trajectory of the global economy sustainable? And how can anthropologists help address these questions? We will consider these questions further in Chapter 12, "Environment and Sustainability."